

U.S. DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN - NORTHERN DIVISION

LBUBS 2007-02 TOWNE CENTER ROAD  
LLC, et al

Case No.: 2:09-cv-13249-TLL-CEB

Plaintiffs,

v

Hon. Thomas L. Ludington

SAGINAW SH-MG, et al

Defendants.

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**TRUSTEES SUPPLEMENTAL REPORT**

Please see attached reports by Leslie "Biff" Hawkey, Senior V.P. Development of  
Hostmark Hospitality Group:

**DEFERRED MAINTENANCE ANALYSIS FOUR POINTS SHERATON**

**DEFERRED MAINTENANCE ANALYSIS HOLIDAY INN EXPRESS**

Dated: September 23, 2009

BRAUN KENDRICK FINKBEINER, P.L.C.

By: /s/ Kenneth W. Kable  
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**SHERATON HOTEL  
FOUR POINTS  
SAGINAW, MICHIGAN**

**DEFERRED MAINTENANCE ANALYSIS**

The 9-11-09 inspection of the Sheraton Four Points hotel consisting of 142 rooms, indoor-outdoor swimming pool, and fitness center revealed the following areas of deferred maintenance. The items noted have an approximate total cost to repair of **\$385,290.00**.

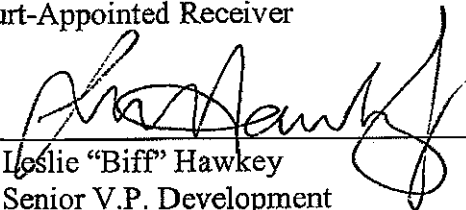
- Interior guest room doors and door jambs improperly aligned. **\$ 4,000**
- 70 PTAC units require replacement (277 volt unit \$1,200 each). **\$ 84,000**
- Many sliding glass windows have deteriorated seals and warped vertical jambs between the sliding windows causing extreme loss of heat and coolant in the guest rooms. During the winter, accumulation of snow inside the window area has caused mold build up in back of the drywall at the bottom and sides of the windows. These windows require replacement with a fixed insulated window system. **\$ 91,200**
- The exterior walls at the sliding window locations have mold behind the walls. Remove the drywall and replace with new drywall and insulation. **\$ 68,000**
- Where the drywall will be replaced; wall covering needs to be replaced. **\$ 38,000**
- The Rezenor heating and cooling unit on the roof is inoperable causing mold condition in hallways. Fully warranted. **\$ 11,000**
- The exterior wall system will require drivit rework after the window replacement due to the fins on the new windows needing to be installed. **\$ 5,000**
- The bathroom ceramic tile tub surrounds need to be replaced due to mold behind the drywall; 142 guest room ceramic tile bath and shower tub surrounds need replacement. **\$ 70,290**
- Presently there is one domestic boiler working for the hotel. Back-up boiler in the same mechanical room inoperable due to a hole. It is a Lochinvar boiler 500,000 mbtu. A new boiler has to be installed, otherwise if the system goes down there is no back up boiler and no domestic hot water, which would cause a possible shut down of the hotel until repairs are completed. **\$ 5,000**

- The property has two shuttle vans, one of which is totally out of service with a blown engine. This vehicle has in excess of 200,000 miles. The second van also has in excess of 200,000 miles, but is still running. The cost of renting a van for shuttle services is approximately \$400.00 per month. New engine needed. \$ 3,800
- The exterior pool area is enclosed with an aluminum rail fence that does not meet local codes. The fence is 3' 6" in height and code 4' 0" above the highest point for security purposes. Originally the fence was at the correct elevation, but upon the raising of the courtyard with grass the fence along with the brick piers was not considered. Rework the fence and piers to bring it within code. \$ 5,000

Dated: September 22, 2009

HOSTMARK HOSPITALITY GROUP,  
Court-Appointed Receiver

By: \_\_\_\_\_

  
Leslie "Biff" Hawkey  
Senior V.P. Development

**HOLIDAY INN EXPRESS HOTEL  
SAGINAW, MICHIGAN**

**DEFERRED MAINTENANCE ANALYSIS**

The 9-10-09 inspection of the Holiday Inn Express hotel consisting of 98 guest rooms, exercise center and indoor pool revealed the following areas of deferred maintenance. The items noted have the approximate total cost to repair of **\$143,520.00**.

- 90 guest room bathroom floors need to be replaced due to the failure of the underlayment installation when built. Eight guest bathroom floors have been replaced to date. **\$ 47,520**
- There are approximately 50 guest rooms with perimeter wall mildew due to water penetration. The seal between the drivit surface and the wall support structure is allowing moisture to penetrate into the drywall. The drywall needs to be removed and replaced. **\$ 63,000**
- The perimeter drywall installation will require wall coverings to be reinstalled. **\$ 16,800**
- The perimeter soffit is in need of repair due to lack of maintenance. **\$ 1,200**
- Drivit cracking and chipping causing water penetration to the interior of the building and guest rooms. Expansion caulk joints are beginning to fail and need re-caulking. **\$ 7,000**
- Lack of exhaust system in the swimming pool area has resulted in a large build up of humidity causing the pool perimeter soffit to sweat and the drivit material to break away. Repair needed. **\$ 3,500**
- The swimming pool motor-operated roof is not able to open as designed. Only one motor out of four is operating. **\$ 4,500**

Dated: September 22, 2009

HOSTMARK HOSPITALITY GROUP,  
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**CERTIFICATE OF SERVICE**

I hereby certify that on September 23, 2009, this office has served a copy of **Trustees Supplemental Report** via *electronic filing and First Class Mail* to ***all parties that receive electronic notices.***

Dated: September 23, 2009

BRAUN KENDRICK FINKBEINER, P.L.C.

By: /s/ Kenneth W. Kable

KENNETH W. KABLE

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